GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:919
ANSWERED ON:17.08.2007
COMPLAINT AGAINST PUNJAB & SIND BANK
Saradgi Shri Iqbal Ahmed

Will the Minister of FINANCE be pleased to state:

(a) whether a number of complaints have been received against the Punjab and Sind Bank Limited in Delhi for not taking action against the borrowers of loans who have failed to repay the loan amount;

(b) if so, whether the Government is aware that the bank, instead of taking action against the borrowers, threatened the guarantor for auction of their properties; and

(c) if so, the remedial measures taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) to (c) : Punjab & Sind Bank has reported that they have received only one complaint wherein it was alleged that the bank is not taking action against borrowers of loans who have failed to repay the loan amount. Bank has stated that action against guarantor is being taken by the Recovery Officer of the Debt Recovery Tribunal (DRT) and not by the bank. DRT was of the view that the guarantor is equally liable with other defendants to repay the loan payable to the bank, and thus ordered for reaction of bank`s dues by effecting sale of properties charged to the Bank.

As the matter is sub-judice, no action is called for by the Government.